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The Role of the Intelligence Community

Gentlemen:

Up at Cambridge, they tell the story of a Harvard professor who bought a house on the edge of a little town on the Maine coast. A month later, as he was coming out of the general store, he overheard two of the locals talking on the porch.

One of them said, "Say, I see someone's bought the old Robertson place out on the North Road."

"Yep," said the other.

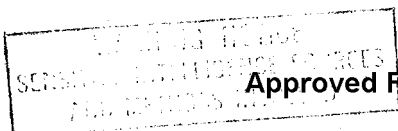
"I hear he's some kind of professor down at Harvard."

"Yep."

"D'you know anything about him?"

"Nope. But I can tell you one thing. Them fellers down at Harvard, they know ev'rythin' ... but they don't realize nuthin'!"

That story puts in a nutshell the two main parts of the intelligence job. We try to know everything -- all the individual facts, the big and little details about what foreign countries are doing. And then we are supposed to realize everything -- that is, to understand the facts we have, to relate the details to each other, to derive conclusions, and to communicate these conclusions so that our national leaders realize them as well.



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It would be an overstatement, but not a big one, to say that on the eve of Pearl Harbor we knew everything, but we didn't realize anything. As the postwar investigation showed, there were plenty of facts pointing to the likelihood of a Japanese attack. But no one was making it his business to put them all together, or, even more elementary, to break through all the interdepartmental barriers which were enclosing these various facts in separate compartments. The result, in the postwar years, was a determination not to get caught out in this fashion again. The remedy was to create a national intelligence community. This was to be built on the prewar intelligence structures in the military departments and State, and was to be capped by a new agency charged with coordinating their efforts, with ensuring that information would be fully exchanged, and with doing its own intelligence work to fill the gaps between the older departments.

All this was set forth in the National Security Act of 1947. That Act created the Central Intelligence Agency, and, by Presidential order, its director was made the Chief Intelligence Officer of the government. In this capacity, he was to be the principal intelligence adviser to the President and the coordinator of all foreign intelligence activities relating to U. S. national security interests.

This made him the head of the U. S. intelligence community. Intelligence community is a term which you will not find in law, but it has emerged

over the years, as in a kind of common law, as the term used in Presidential directives and other executive communications to embrace all of our intelligence organizations. "Intelligence Community" is in fact an apt term. I would not try to persuade you that we are free of rivalries, or that we never have disagreements. We are not a commune. Each member has his own superior, to whom he must report and whose needs he must meet -- the Secretary of State, the Secretary of Defense, and in CIA's case the President himself. But the system has been tested often in 25 years and I think we can say with confidence that it has worked.

Let me briefly describe the composition of the intelligence community.

The Central Intelligence Agency, about which I shall say more in due time, is, of course, part of the community.

Second, there is the Defense Intelligence Agency, DIA, which is responsible for providing intelligence support to the Secretary of Defense and the Joint Chiefs of Staff.

Third, there are the intelligence units of the Army, Navy, and Air Force which continue to support the particular missions of the services. Much of their work is coordinated by the Director of DIA.

Next, in the State Department, there is an intelligence unit which serves the Secretary of State and the operating bureaus. All our diplomatic personnel abroad are, among other things, intelligence gatherers. But there is also a need for a group of officers in Washington which can apply

itself professionally to the analysis of information, from our embassies and all other sources, in support of the Department's specific tasks.

The Atomic Energy Commission is the fifth component. Its intelligence unit has a specialized charter devoted to the vital field of intelligence on nuclear energy developments.

The Federal Bureau of Investigation is responsible for the internal security of the United States, but foreign intelligence and internal security often interrelate. So the FBI, too, is a member of the intelligence community, contributing the information it collects in the U.S. about foreign developments. The Bureau and CIA work together, because they are both dealing with an international network of clandestine operations directed against the United States, whose agents move back and forth between our country and foreign lands. We turn over our leads to the FBI at the water's edge. By law CIA has no domestic internal security responsibility.

Lastly, there is the National Security Agency, which is responsible for cryptologic intelligence, the intercepting and decoding of electrically transmitted messages. Its product is disseminated with remarkable speed throughout the intelligence community and has played a vital role in many of our most crucial intelligence judgments over the years.

These, then, are the individual members of the intelligence community, CIA, DIA, the service intelligence components, State, AEC, the FBI and NSA. They have been tied together by the United States Intelligence Board

whose main job is to advise and assist the Director of Central Intelligence in the production of National Intelligence Estimates, and in establishing intelligence policy, objectives, and priorities.

USIB, as the Board is commonly known, passes on the agreed, coordinated judgments of the entire intelligence community, what we call "National Intelligence." The Director of Central Intelligence chairs USIB at its weekly meetings and is responsible for the substantial network of specialized committees -- on nuclear intelligence, strategic intelligence, economic intelligence, etc. -- that operate under USIB's auspices.

On November 5 last year, as you no doubt know, the White House announced that the President had directed some management steps for improving the effectiveness of the intelligence community. I would like to review these steps with you, and elaborate on how I believe some of the new machinery of the Community will operate.

The President had several objectives in mind. He wanted to ensure that the U.S. intelligence effort would be continuously responsive to his needs. In particular, he sought a more efficient use of resources in the collection of intelligence information, and the elimination of the least productive intelligence programs. To this end, he wanted to provide strengthened leadership for the community as a whole. In all this, the final goal was improved quality, scope, and timeliness.

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The President ordered the four following steps in his Directive of November 5. He ordered the Director of Central Intelligence to assume an enhanced leadership role. He established an Intelligence Resources Advisory Committee. He set up a National Security Council Intelligence Committee. And he reconstituted the United States Intelligence Board.

Let us discuss these changes, briefly, one by one.

As we have noted, the Director of Central Intelligence has always had a responsibility for developing requirements for national intelligence and for coordinating its production. Under the restructuring directed by the President, he was asked to draw up a consolidated intelligence program budget, and to fit intelligence requirements to budgetary constraints. The Presidential Directive did not give the DCI any increased command authority over the other members of the intelligence community. He was given, however, the significant new responsibility of being informed on and of expressing views with respect to the allocation of all intelligence resources in the community, particularly those of a national character. In this regard the Director may be called on by the President, by the key Congressional Committees, or by the Director of the Office of Management and Budget to comment on and defend the intelligence programs and budgets of the Department of Defense and Department of State.

While the authority to comment on budgets carries considerable influence, the aims of the President's directive will continue to be

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accomplished largely through friendly persuasion, hard work, and (hopefully) good sense. I think they can be achieved, and we have made a promising start. But it will be a slow process.

The establishment of an Intelligence Resources Advisory Committee is the second change. This body is chaired by the DCI and includes representatives of State, Defense, the Office of Management and Budget, and CIA.

It will formalize previous, looser arrangements among the departments to help the Director of Central Intelligence coordinate the use of national intelligence resources including money, manpower, and equipment. This Committee will also assist in preparing the consolidated intelligence program budget. We know that we are going to have to do more jobs with less money, and this body will be laying out the choices and the price tags.

The third step, creation of the National Security Council Intelligence Committee, fills a gap that had become quite worrisome over the years. There was no arrangement for systematic feedback of criticism and comment from high policy users of finished intelligence. The new Committee is chaired by Dr. Kissinger, and its members are the Under Secretary of State, the Deputy Secretary of Defense, the Chairman of the JCS, and the DCI, in other words, the policy level for which national intelligence is designed.

With this Committee, the President has created a formal group of senior policy officials to tell us what intelligence product is needed to

assist in making of decisions on U.S. foreign and defense policy. This Committee will also continuously evaluate the intelligence product from the standpoint of prime intelligence users. To the extent that we can get more guidance, and more feedback, the Intelligence Community should be able to respond in a more timely and effective manner to national needs.

This brings us to the last of the major changes, the reconstitution of the United States Intelligence Board. Whereas USIB previously had some authority of its own, it is now limited to an advisory capacity to the DCI. In addition, the Deputy Director of Central Intelligence is designated Vice Chairman of USIB, and a representative of the Treasury Department has been added to the membership. The addition of a Treasury representative reflects the fact that economic intelligence is very much front and center in the government today. We are doing a great deal more these days in collecting and analyzing fiscal and monetary information, particularly in support of trade negotiations.

This organizational portrait of the intelligence community may look rather complicated at first glance. Let me try to clarify it by separating departmental from national responsibilities.

Just as the job of carrying out national security policies is shared by State and Defense, so each of these departments has a need for its own intelligence organ to work on its particular problems, according to



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priorities and schedules set within the parent department. The President and his Assistant for National Security Affairs, however, have other intelligence needs. They require intelligence which transcends departmental lines and integrates political, military, economic, and scientific problems. The National Intelligence Estimate, which my associates will be describing to you in a panel session shortly, is one such kind of integrated intelligence product for National policy makers.

CIA's role as the intelligence agency which serves the President has caused it to be especially conscious of the requirements of national as opposed to departmental intelligence. One of the implications of this is a difference in doctrine which you may have noticed when you were serving in an overseas command or embassy. Our field personnel are trained to forward all information, with their own evaluation if they wish, to Washington. They are instructed not to let it be short-stopped in the field by local authorities, either their own, or those of other departments.

The reason for this is that we have large files and analytic resources here at headquarters, where single field items are checked against the data from all other sources, including several not available to our overseas officers, and against national requirements. This is why you will sometimes find your CIA colleague overseas sending to Washington reports which you think are dubious, or even worthless. He may think so too. But he has learned to trust headquarters -- with its much broader range of requirements and its much larger resources for cross-checking -- to make those judgments.

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Yet another way to think about the intelligence community is to focus on the distinction between intermediate and final product. By intermediate product, I mean what the analyst uses to reach his conclusions. These are the interpreted photographs obtained from reconnaissance aircraft and satellites, the intercepted messages of foreign governments, and the radio broadcasts monitored by the Foreign Broadcast Information Service. These processing tasks, which call for highly demanding and special skills, are generally performed by one agency for the entire community. These service organizations can be considered national intelligence assets.

The largest of these assets is the National Security Agency. Its consumers are the intelligence agencies, its fellow members of USIB. NSA's product goes out to them round the clock, and they can all task NSA to serve their requirements.



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Two other important national intelligence assets are part of CIA but perform collection or processing tasks for the entire community.

One of these is the National Photographic Interpretation Center. NPIC is administered by CIA in collaboration with the Defense Intelligence Agency,

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and is jointly staffed by the two agencies. As the name suggests, NPIC examines films in detail and analyzes and interprets the photography and other imagery. This work feeds into and supports intelligence production throughout the community.

I need only mention the detection of the Soviet ballistic missiles in Cuba almost exactly ten years ago, to prove how essential NPIC is to our intelligence effort. It has proven invaluable in supporting refined estimates of Soviet and Chinese military programs, and it will carry a major part of the load in monitoring compliance with arms control agreements.

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The final product, of course, is the finished intelligence report destined for consumers outside the community. Most of you are familiar with the regular coordinated publications, such as the National Estimates or the community's daily newspaper, the Central Intelligence Bulletin. There are also basic intelligence publications, such as the National Intelligence Surveys. And, very important, there are the special papers done on request of the White House or other high level consumers, such as those done periodically on Southeast Asia or for the SALT talks or for the President's overseas trips. Then there is the large volume of finished intelligence issued independently by INR, by DIA, and by CIA, some of it in regular or occasional publications and some of it done to meet a special need of a high level consumer or the needs of the organization itself.

Do all these publications produce duplication? In some cases the answer is certainly yes and some of the duplication may be wasteful. But I believe most of our finished intelligence is necessary and positively useful. In the first place, our various consumers usually have overlapping but not identical needs, and they want a product tailored precisely to their particular requirements. But more important, the business we are in is the

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knowledge business, where two heads are better than one. In this arena, one wants the assurance that comes from having one group of experts confirm or modify the results of another group's work. Furthermore, you never can tell where the next good idea or brilliant insight is going to come from. In the weapons field, for example, once a design is accepted, it is efficient to give the job to a single producer. But it would not make sense at an earlier stage to employ just one design team and have to accept whatever it came up with. The same holds true for intelligence analysis, which always confronts fresh and novel problems requiring a multiple approach and some healthy competition.

In the last part of this talk I would like to share with you some thoughts about the changing intelligence priorities we are trying to anticipate as we move into the mid-1970's.

I have already mentioned the rising importance of foreign economic intelligence. Much of our economic analysis will continue to be done in Treasury and Commerce, mainly in support of their responsibilities for fiscal policy and for promoting U.S. exports. But, more and more they are turning to CIA to tap the expertise we have developed over the years. We are providing these departments, as well as the President's Council on International Economic Policy, with economic analyses for the making of national fiscal and export policy. Part of our work will be to examine the economic power structure of major trading partners, in order to find leverage points for our negotiators to use.

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In this connection, we expect the developed countries of Western Europe, plus Japan, to become more important targets, not only because of their economic weight, but also because we expect them to act more independently of U.S. advice. Our allies are less acutely concerned nowadays about retaining our favor and are more inclined to pursue national interests which often conflict with our own. In a period of detente, it is inevitable that alliances based on security fears should begin to weaken. But this makes it imperative that we collect better intelligence on governments whom the U.S. used to be able to count on without much reservation. In particular, we expect Japan to be courted by both the Soviets and the Chinese, and we intend to monitor these efforts.

Nevertheless, I do not think that these trends will displace the Soviet Union and China as our first priorities. The intelligence community will continue to carry out the early warning function. It will retain a unit of inter-agency professionals devoted exclusively to this task. Soviet weapons developments will remain as important as ever, but there will be significant changes in our approach. The SALT agreements will make a major difference. In fact, they will make two differences. The first is the new job of monitoring Soviet compliance, which falls squarely on the intelligence community. To carry out this work, a special Steering Group has been established, chaired by my Deputy, and including the Director of DIA, the Director of INR, and CIA's Deputy Director for Intelligence.

The second difference made by the arms control agreements is that they will speed up the shift in emphasis to qualitative factors in the arms competition. With gross numbers of weapons now limited by treaty in many fields, the Soviets will naturally shift their efforts into improving the performance of the weapons which are allowed.

This carries us into such technical fields as better accuracy and multiple warheads for missiles, and refined equipment for anti-submarine warfare, and perhaps into the question of missile mobility. Even more concerning, in terms of both intelligence difficulty and possible consequences to the U.S., is the possibility of Soviet breakthroughs into entirely new types of weapons. These matters will require our most earnest study, not only because the U.S. will need to develop timely countermeasures, but because U.S. negotiators may be directed to try for qualitative limitations in the second phase of SALT. We learned in the first phase that the demands for intelligence support from our negotiators are fully as rigorous and detailed as the demands from our defense planners.

We expect to have more work to do on China. In large part this will be the consequence of China's steady development of advanced weapons capable of reaching our allies, and, eventually ourselves. In this connection, we find that we have to develop new collection mechanisms to suit Chinese geography. Moreover, we need separate teams of analysts to study the quite

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different concepts which underlie Soviet and Chinese military programs. In the economic and political fields, China is likely to become more accessible as more travel gets under way in both directions. In our experience, this means that intelligence people will know more about the country, but also that the consumers will start asking harder questions.

It is characteristic of the intelligence process that, in addition to old standbys, new problems spring up quickly and demand priority attention. Terrorism is one such new problem, and one which we were able to foresee. Sometime ago we stepped up our efforts at penetration of the Fedayeen, with results that are now paying off in covert reporting. The close working relationships we have built with the intelligence and security services of friendly countries are particularly useful in this effort.

These new problems usually have a way of becoming permanent. They become add-ons to requirements which already must be met within a fixed or declining budget. That has been the case in the narcotics field, for example. The Agency has in the last few years become deeply engaged in collecting information on the foreign opium traffic, in analyzing it to detect patterns, and in cooperating with other parts of government in a coordinated attack upon the overseas aspects of this crucial problem. In the field, we have stationed a number of full-time narcotics intelligence officers in strategic areas. In addition, all of our collection personnel abroad, whatever their regular targets, are charged with the collection of narcotics intelligence.

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In cooperation with the BNDD and other agencies, and under the direction of the ambassadors in the countries involved, we have done a good deal of work leading to the detection and exposure of narcotics rings, seizure of heroin shipments, and extradition of fugitives to the U.S. This is a growing account among our various responsibilities. Unfortunately, it will probably get bigger before it gets smaller.

The so-called Third World is, as always, a mixed picture and, as always, a changing mixture. The priority for Africa has declined in recent years as it has become clear that no outside power is going to get very far in trying to organize the Black African states into line behind itself. We will probably go on spending less time and money on African problems until that distant and unforeseeable day when the blacks are able to mount a serious and sustained threat against the white regimes of southern Africa. In that contingency, our government's need for objective, accurate intelligence would increase sharply.

In Southeast Asia, on the other hand, I have difficulty in imagining much decrease in the intelligence load. After a settlement, we will be able to get out of some of our activities directly connected with the actual fighting. But, with or without a settlement, Indochina will remain an area of intense concern to the U.S. Government. In these circumstances, we expect no decline in the need to develop sources, collect information, and report and analyze on this

area. Insofar as the U.S. presence declines, however, this will be harder to do. Indeed, we have already suffered a significant drop in information on South Vietnam at the provincial and district level, where few Americans remain.

In Latin America, there is little doubt that nationalism is taking hold as the central political force. Throughout the continent the "outs" in each country have traditionally used this issue in their search for power. In recent years, the "ins" have begun to seize upon it as well, hoping to steal the thunder of their anti-establishment rivals. And since nationalism requires an outside oppressor, and since the U.S. is inescapably cast in that role, this trend can only be bad news for us. In these circumstances, intelligence will have to keep cool, separate rhetoric from reality, and draw accurate distinctions between essentially propagandistic attacks on the U.S. and those which reflect actual intentions to move against our interests.

As another aspect of nationalism, most Latin American countries will continue to expand their relations with powers outside the Western Hemisphere. This will be intended both to underscore their independence of the Yankees and to get new sources of aid, trade, and investment. This trend will keep the opportunities open for the Soviet Union and China, and also for the West Europeans and the Japanese. Before too many years, intelligence may find its consumers more concerned about how our allies are exploiting the

economic opportunities in Latin America than about how our adversaries are exploiting the political opportunities there.

The Middle East is an area where several key intelligence problems overlap: the Arab-Israeli conflict, Soviet penetration, the security of oil supplies, and the highly organized terrorism against Western as well as local targets. In one of these problems, Soviet penetration of the region, we have recently had the happy task of counting Russians as they departed from Egypt. This is a Soviet setback, but it is by no means the end of their Middle Eastern position. Indeed, the tensions created by the Munich attack and the current wave of terrorism, as well as the abhorrence they have aroused in the West, have made Soviet friendship and support a more salable commodity in the Middle East.

The Russians may have learned a lesson from their bitter experience in Egypt, and they could be more cautious about getting so deeply committed to any of the wayward governments which run the Arab states. We do not intend, however, to take this for granted. Soviet operations in the Middle East will continue to be a high priority intelligence target.

The dimensions of the oil question in this area also seem bound to change. The U.S. has never been an important consumer of Middle Eastern oil, and our concern over it has been limited to the involvement of U.S. companies and the dependence of our European allies and Japan upon this

source. But one of the noteworthy implications of the national energy crisis is that, by the end of the 1970s, we are likely to be importing more than a third of our petroleum, and much of this will have to come from the Middle East.

This is likely to be a very awkward situation for the consumers. Relations between the oil-producing countries and the Western oil companies are undergoing considerable and fundamental change. Most of the leverage is in the hands of the Arab national leaders, and they know it. Consequently, the rules of the game keep changing. At stake in all this are national pride, company investment and profits, government revenue in states which are otherwise very poor, and the prices which consumers will pay in the West. There are certain to be crises, and probably some interruptions of oil flow, in the years ahead, as the countries and the companies lock horns. By the end of the decade, the companies will be deeply involved in a variety of partnership or management arrangements, and many of the investments will have been nationalized outright.

An important side-effect of this will be the vast increase in foreign exchange holdings of some oil-rich states, such as Libya and Saudi Arabia. These states will have the unusual capacity of affecting world monetary stability by the way in which they place and manage their reserves. Their wealth will also permit them to fund massively whatever causes they favor.

This is not a cheerful prospect when one considers what passes for responsible government in Libya.

This list of factors of change in the intelligence business is not all-inclusive. One can imagine other responsibilities. For one thing, we may have to give a much higher collection priority to the divided countries, and particularly the western-oriented parts of them, as they negotiate new relations. West Germany, South Korea, Taiwan, and South Vietnam will all be engaged, to one degree or another, in exploring unification, and they may not be as forthcoming with the U.S. Government as they have had to be in the past. And then there are the tasks which one cannot imagine, in analogy to scientific breakthroughs which cannot be predicted but which everyone knows will come along at a certain rate.

As we contemplate this rather fluid outlook, the lesson seems clear that the Intelligence Community would do well to stay loose, in the organizational as well as intellectual sense. This is doubly so when one remembers that administrations have different ideas as they go along about the kinds of intelligence support they want and the ways in which they want to receive it. My own experience with the present structure is that it works surprisingly well all things considered and that perhaps more important, the community has the suppleness and resiliency to respond to the need for change. Change has been one of the hallmarks of our profession. It is one of the principles,

along with others like objectivity and accuracy, which have become second nature to us all as we have grown up in this business. I have no doubt that, ten years from now, the Intelligence Community will not be the same as it is today. I also have no doubt that it will still be a community.